

LAKE OF THE PINES ASSOCIATION POLICIES & PROCEDURES



Facility Renovation Fund Policy

The Facility Renovation Fund (Fund) is for the substantial replacement and/or enhancement of facilities including buildings, structures, complexes, and other amenities or spaces such as the lake, parks, the golf course, the dam, etc., installed or established to serve a particular purpose and generally with an estimated life of greater than 30 years.

Facilities eligible to be covered by this fund fall outside of the purpose of the Capital Reserve Fund, which provides for estimated funds required to be available at specified point in time to repair, replace or restore major components with an estimated life of 30 years or less.

The Fund provides the community with the benefit of board approved project monies to be collected over a period of time.

Utilization of the Fund shall follow these policies and procedures:

1. The Board of Directors shall identify project(s), obtain cost estimate(s), and then may approve by a majority vote, project(s) requiring renovation and/or replacement. Project cost estimates shall be reviewed annually and adjusted, if necessary.
2. Funds shall not be collected if there are no identified projects.
3. The Fund shall be accounted for and reported separately from the Operations and Capital Reserve Funds.
4. The Fund is a reserve fund as defined per Bylaws Article VIII Sec. 2. This states that all expenditures from this type of fund shall be exempt from the 5% limitation on Capital Improvements as specified in the following excerpt: "...limitation shall not apply to the expenditure of any funds accumulated in a reserve fund established for capital replacement or new capital improvements so long as the expenditure is for the purpose for which the fund was established." Expenditures will follow the Lake of the Pines Procurement Procedures for Capital Additions/Improvements.
5. Annual assessments for the Fund shall not exceed by more than 20% the estimated total project costs currently approved by the Board of Directors to be covered by the Fund.
6. The Board of Directors, by a majority vote, may add, modify, or delete previously designated projects for this Fund and use the Fund for facility replacements or enhancements that arise with a greater priority than the originally identified project(s).

Effective March 15, 2023- R-23-19